

EXHIBIT E

1
2 UNITED STATES DISTRICT COURT
3 DISTRICT OF CONNECTICUT

4 -----x
5 ARUBA HOTEL ENTERPRISES, N.V.,

6
7 Plaintiffs,

8 v. 07 Civ. 01297 (JCH)

9
10 MICHAEL BELFONTI and MCR
11 PROPERTY MANAGEMENT, INC.,

12
13 Defendants.

14 -----x
15
16 DEPOSITION OF MARIETA RAS

17 New York, New York

18 July 22, 2008

19
20 Reported by:

21 MARY F. BOWMAN, RPR, CRR

22 JOB NO. 17805
23
24
25

1 M. RAS

2 Q. Who were the auditors before PWC? 12:25:31

3 A. Ernst & Young, and before that, 12:25:35

4 Arthur Andersen. 12:25:36

5 Q. And for every year that you were 12:25:38

6 there from 1993 to the present, did AHE's 12:25:40

7 books and records always get audited by an 12:25:44

8 outside auditor? 12:25:48

9 A. Yes. 12:25:49

10 Q. Normally, when were the audits done 12:25:51

11 for each year? What time of year were the 12:25:53

12 audits done? 12:25:56

13 A. Between March and June. 12:25:58

14 Q. Of the following year? 12:26:00

15 A. Yes. 12:26:00

16 Q. Normally how long would it take for 12:26:01

17 an audit to be completed before you get the 12:26:03

18 full audit report? 12:26:05

19 A. In our case, maybe -- it takes 12:26:07

20 three weeks -- six weeks, two months. 12:26:27

21 Q. From the finishing of the field 12:26:31

22 work? 12:26:32

23 A. Yes, including one month that they 12:26:32

24 do during the year as a procedure and 12:26:35

25 control. So if you want to add that. 12:26:38

1 M. RAS

2 Q. When do they give you the procedure 12:26:42
3 and control? 12:26:43

4 A. Normally they do it in September 12:26:44
5 and November of the current year for about 12:26:47
6 three, four weeks. 12:26:49

7 Q. I am going to show you a document. 12:27:02

8 (Exhibit 6, document Bates stamped 12:27:15

9 AHE 000057 through 67 marked for 12:27:16

10 identification, as of this date.) 12:27:22

11 Q. Ms. Ras, I ask you to take a look 12:27:32

12 at what has been marked as Ras Exhibit 6. Do 12:27:34

13 you recognize it? I am sorry, you said yes? 12:27:43

14 A. I am just talking about the first 12:27:49

15 letter. 12:27:52

16 Q. No problem. 12:27:52

17 A. Yes. 12:28:14

18 Q. What is it? 12:28:15

19 A. It is a letter to PriceWaterhouse. 12:28:18

20 Q. That's the first page? 12:28:21

21 A. Yeah. 12:28:23

22 Q. And what's behind it? 12:28:24

23 A. It is the engagement letters. 12:28:26

24 Q. Did you sign the engagement letter 12:28:30

25 for PriceWaterhouse? 12:28:32

1 M. RAS

2 audit meeting, but we had a conversation. 14:13:11

3 Q. I understand. Thank you. 14:13:13

4 To your knowledge, who else 14:13:26

5 from AHE have the PWC auditors spoken to 14:13:40

6 about this issue, pending item number 13? 14:13:44

7 A. On an audit level, they will be 14:13:49

8 speaking with Alcira on the individual 14:13:54

9 transaction because she will provide them 14:13:57

10 with all the back-up of the different 14:13:58

11 transactions that are in my general ledger. 14:14:01

12 Q. Anybody else? 14:14:06

13 A. No. 14:14:06

14 Q. Do you know what she has told them? 14:14:07

15 Were you present in any conversations that 14:14:08

16 Alcira had with the PWC auditors? 14:14:10

17 MR. MERVIS: There is two questions 14:14:13

18 in there. 14:14:15

19 Q. Were you present -- withdrawn. 14:14:16

20 Do you know if Alcira had any 14:14:17

21 conversations with the PWC auditors? 14:14:19

22 A. I'm not sure but I assume. I don't 14:14:24

23 want to assume, but it is -- she would be -- 14:14:26

24 she would have had conversations with them on 14:14:29

25 this issue. 14:14:31

1 M. RAS

2 Q. What are you basing your assumption 14:14:32
3 on? 14:14:34

4 A. Because of the -- they would 14:14:35
5 request to see the transactions of such 14:14:37
6 account. 14:14:41

7 Q. Has Alcira ever told you that she 14:14:42
8 has had conversations with the PWC auditors 14:14:45
9 concerning this issue? 14:14:48

10 A. Not specifically. 14:14:52

11 Q. How about generally? 14:14:53

12 A. Not as I recall. 14:15:01

13 Q. I am going to talk to you now more 14:15:38
14 specifically about each one of these 14:15:41
15 transactions. 14:15:43

16 (Exhibit 12, document Bates stamped 14:15:52
17 MB000090 marked for identification, as of 14:15:55
18 this date.) 14:15:57

19 Q. Ms. Ras, do you recognize what has 14:16:13
20 been marked as Ras Exhibit 12? 14:16:16

21 A. The font is different. 14:16:29

22 Q. When you say the font is different, 14:16:35
23 different from what? 14:16:37

24 A. What I used to see. 14:16:39

25 Q. Have you ever seen Ras Exhibit 12 14:16:42

1 M. RAS

2 please. 14:25:19

3 (Record read) 14:25:20

4 A. I wouldn't -- I do not -- I cannot 14:25:25
5 make that statement. I cannot answer that 14:25:29
6 question. But based on my -- it has two 14:25:31
7 sides; one, because you had to post in your 14:25:44
8 journal transaction for the purchase and sale 14:25:48
9 agreement, and then secondly, if you made an 14:25:51
10 investment to buy actually -- it is a -- it 14:25:59
11 is a buyer's -- it is his investment into 14:26:02
12 buying something. 14:26:08

13 Q. You told Alcira to book this money, 14:26:16
14 the 4 million plus, 4.8 million as a long 14:26:19
15 term liability, right, that was your 14:26:23
16 instructions? 14:26:25

17 MR. MERVIS: Already been 14:26:29
18 stipulated. 14:26:30

19 Q. Right? 14:26:31

20 A. That's correct. 14:26:31

21 Q. And on what basis did you tell her 14:26:32
22 to book it as a liability if you didn't 14:26:34
23 believe it was a liability? 14:26:37

24 A. On the basis that I had to book 14:26:39
25 that amount somewhere and that was my best 14:26:41

1 M. RAS

2 is Exhibit 12. Do you see the third line 15:14:23
3 from the top, it says, July 30, 2006. Do you 15:14:49
4 see that, Ms. Ras? 15:15:12

5 A. Yes. 15:15:14

6 Q. I am referring you to the third 15:15:15
7 entry from the top dated July 30, 2006, 15:15:16
8 \$499,950. Do you see that? 15:15:19

9 A. Yes. 15:15:25

10 Q. This was also booked, was it not, 15:15:33
11 as long term liability owed to Belfonti 15:15:34
12 Capital Partners, is that correct? 15:15:36

13 A. As part of the incoming funds from 15:15:49
14 Belfonti. 15:15:51

15 Q. Did you understand at the time that 15:15:52
16 Mr. Belfonti intended this to be a loan for 15:15:53
17 working capital? 15:15:56

18 MR. MERVIS: This is being the -- 15:15:57

19 Q. \$499,950. 15:15:58

20 A. Not as I recall. 15:16:02

21 Q. Not that you recall? 15:16:03

22 A. That he didn't -- can you repeat 15:16:06
23 the question? 15:16:09

24 Q. Yeah, did you understand this 15:16:09
25 \$499,950 that came from Belfonti Capital 15:16:10

1 M. RAS

2 A. I cannot state which company is 15:33:51
3 Belfonti Holdings. I assume that's the 15:33:51
4 company that is sending in the 499? 15:33:51

5 Q. Let's assume that for the purposes 15:33:52
6 of my question and then you can answer the 15:33:53
7 question. 15:33:55

8 A. I am a little bit confused with the 15:34:04
9 last part of ownership of -- 15:34:05

10 Q. You understand that when someone 15:34:09
11 gets equity in a company, that means they 15:34:10
12 have a certain percentage of ownership in the 15:34:14
13 company, right? 15:34:17

14 A. Yeah. 15:34:17

15 MR. MERVIS: I object to the form. 15:34:19

16 Q. And my question is, assuming that 15:34:20
17 Belfonti Holdings was the entity that gave or 15:34:23
18 transferred the \$499,950 to AHE, do you know 15:34:26
19 whether they received any kind of an 15:34:31
20 ownership stake in AHE as a result of that 15:34:33
21 infusion of money? 15:34:37

22 A. No. 15:34:39

23 Q. You don't know? 15:34:40

24 A. No. 15:34:41

25 Q. Prior to this lawsuit being filed, 15:34:45